

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 291

April 14, 2021

SUMMARY OF BILL: Requires the Department of Health (DOH) to give a one-time stipend of \$1,500 within one month of the effective date, to each nurse, paramedic, and emergency medical technician, who provided healthcare services during the state of emergency declared by the Governor in Executive Order No. 14 on March 12, 2020.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$214,016,600/FY21-22

Assumptions:

- Based on the parameters outlined in the proposed legislation, it is assumed that the following professions are eligible:
 - Advanced Practice Registered Nurse;
 - Registered Nurse;
 - Licensed Practical Nurse;
 - Registered Nurse First Assistant;
 - Emergency Medical Responder; and
 - EMS – Personnel.
- According to the DOH, of the listed professions, there are a combined 174,418 eligible recipients.
- The number of such professional that provided healthcare services during the current state of emergency that qualify and will seek and receive the stipend is unknown.
- However, it is estimated that of the 174,418 eligible recipients that approximately 75 percent or 130,814 (174,418 eligible recipient x 75.0%) will receive the stipend under the provision of the legislation.
- The total increase to state expenditure associated with the stipend is estimated to be \$196,221,000 (\$1,500 stipend x 130,814 recipients) in FY21-22.
- This legislation requires each stipend to be provided to the healthcare professional within one month of the act becoming law, which would require 5,233 claims per day (130,814 recipients / 25 day) to be processed in 25 business days.
- Processing each stipend will be handled by the Department of Finance and Administration (F&A).
- Based on information provided by F&A, processing the stipends cannot be handled within existing resources or current methods. F&A will need to develop a web portal with a secure backend database in conjunction with DOH, Strategic Technology

Solutions and the Account Divisions. F&A staff will then need to enter the eligible data retrieved from the DOH into the database.

- The development of such a database unknown, but is reasonably estimated to be a one-time cost of \$17,220,000 for development and staffing to accomplish the requirements of the legislation in the time frame specified.
- Based on information provided by the DOH the proposed legislation cannot be accommodated within existing resources.
- The DOH will need to verify eligible licensees, validate and verify tax ID numbers, and confirm what and where services were performed. It is estimated that one employee could do such at a rate of 32 claims per day resulting in the need to hire 164 employees (5,233 recipient claims per day / 32 claims per employee).
- In order to process the stipends in a timely manner, each contract employee will be paid at a rate of \$17.55 per hour for a total of 25 days, or \$3,510 [(\$17.55/hr. x 8 hrs. a day) x 25 days].
- The total increase associated with the temporary contract positions is estimated to be \$575,640 (164 employees x \$3,510).
- The total increase to state expenditures from the general fund is estimated to be \$214,016,640 (\$575,640 employees + \$196,221,000 stipends + \$17,220,000 database and staffing) in FY21-22.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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